

**42 Pages**

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SUMMERFIELD APARTMENTS IN DIXON, LLC

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA

In Re:

SUMMERFIELD APARTMENTS
IN DIXON, LLC,

Debtor.

Case No. 09-26417

WFH-4

DEBTOR'S
FIRST AMENDED PLAN OF REORGANIZATION,
DATED DECEMBER 9, 2009

ARTICLE 1

SUMMARY

This First Amended Plan of Reorganization (the "Plan") under chapter 11 of the Bankruptcy Code (the "Code") proposes to pay creditors of **Summerfield Apartments in Dixon, LLC** ("Debtor") from future income and the eventual sale or refinancing of Debtor's primary asset.

This Plan provides for five classes of secured claims; three classes of unsecured claims; and one class of equity security holders. Unsecured creditors holding allowed claims will receive distributions, which the proponent of this Plan has valued at approximately 100 cents on the

dollar. This Plan also provides for the payment of administrative and priority claims (to the extent permitted by the Code or the claimant's agreement)

All creditors and equity security holders should refer to Articles III through VI of this Plan for information regarding the precise treatment of their claim. A disclosure statement that provides more detailed information regarding this Plan and the rights of creditors and equity security holders has been circulated with this Plan. **Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one. (If you do not have an attorney, you may wish to consult one.)**

ARTICLE 2

CLASSIFICATION OF CLAIMS AND INTERESTS

2.1 Class 1. All allowed claims entitled to priority under Section 507 of the Code (except administrative expense claims under Section 507(a)(2), and priority tax claims under Section 507(a)(8) of the Code).

2.2 Class 2(a). The claim of Charles Lomelli, Tax Collector for Solano County, for real property taxes on Debtor's real property located at 400-480 Ellesmere Drive, Dixon, California (the "Real Property"), and secured thereby.

2.3 Class 2(b). The claim of Bank of Sacramento (and its participant, Pacific Coast Bankers' Bank) secured by a senior deed of trust on the Real Property.

2.4 Class 2(c). The claim of Bank of Sacramento secured by a junior priority deed of trust on the Real Property.

2.5 Class 2(d). The claim of Meadowood Village of Dixon Association, a California non-profit mutual benefit corporation (the "HOA").

2.6 Class 2(e). The claims of (i) D&D Custom Cabinets and (ii) Cal Roofing Systems, Inc. (together, the "Mechanics' Lienors") secured by mechanics' liens on the Real Property, to the extent allowed as a secured claim under Section 506 of the Code.

2.7 Class 3(a). All unsecured claims allowed under Section 502 of the Code in an amount less than or equal to an aggregate of \$750 per claimant, except Class 3(b) claims.

1 2.8 Class 3(b). All unsecured claims allowed under Section 502 of the Code, except
2 Class 3(a) claims.

3 2.9 Class 4. Equity interests in Debtor.

4 **ARTICLE 3**

5 **TREATMENT OF ADMINISTRATIVE EXPENSE CLAIMS,**

6 **U.S. TRUSTEES FEES, AND PRIORITY TAX CLAIMS**

7 3.1 Unclassified Claims. Under Section 1123(a)(1), administrative expense claims,
8 and priority tax claims are not in classes.

9 3.2 Administrative Expense Claims. Each holder of an administrative expense claim
10 allowed under Section 503 of the Code will be paid in full on the Effective Date (defined in
11 Article VII), in cash, or upon such other terms as may be agreed upon by the holder of the claim
12 and the Debtor. Notwithstanding the foregoing, Debtor may defer payment of any administrative
13 claim of Frank J. Andrews, Jr. ("Andrews"), to April 1, 2012.

14 3.3 Priority Tax Claims. Each holder of a priority tax claim will be paid equally
15 amortized quarterly installments, commencing the end of the calendar quarter that begins
16 immediately after the Effective Date, over a period of 5 years from the commencement of the
17 Case; provided, however, priority tax claims will be due in full on the earliest of the date on
18 which Class 3(a) or Class 3(b) claims are to be paid.

19 3.4 United States Trustee Fees. All fees required to be paid by 28 U.S.C. §1930(a)(6)
20 ("U.S. Trustee Fees") will accrue and be timely paid until the Case is closed, dismissed, or
21 converted to another chapter of the Code. Any U.S. Trustee Fees owed on or before the Effective
22 Date will be paid on the Effective Date.

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ARTICLE 4

TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN

4.1 Claims and interests shall be treated as follows under this Plan:

Class	Impairment	Treatment
Class 1 – Priority Claims	unimpaired.	Class 1 is unimpaired by this Plan, and each holder of a Class 1 Priority Claim will be paid in full, in cash, upon the later of the Effective Date or the date on which such claim is allowed by a final non appealable order.
Class 2(a) – Secured Claim of Charles Lomelli, Solano County Tax Collector	unimpaired.	Class 2(a) will retain all of its rights and remedies provided under applicable non-bankruptcy law. Class 2(a) will be paid as specified in Section 3.3 of the Plan.
Class 2(b) – Claim of Bank of Sacramento (and its participant, Pacific Coast Bankers' Bank) secured by a senior deed of trust on the Real Property	impaired	Class 2(b) will receive the treatment set forth in Exhibit 2.
Class 2(c) – Claim of Bank of Sacramento secured by a junior priority deed of trust on the Real Property	impaired	Class 2(c) will receive the treatment set forth in Exhibit 2.
Class 2(d) – Claim of the HOA.	unimpaired	Class 2(d) will retain all of its rights and remedies provided under applicable non-bankruptcy law. The Class 2(d) claim will be paid in the ordinary course through performance of the executory contracts and obligations assumed pursuant to paragraph 6.1.1.
Class 2(e) – Secured claims of (i) D&D Custom Cabinets and (ii) Cal Roofing Systems, Inc.	impaired	Class 2(e) shall be deemed to have valid mechanics' liens on Debtor's real property. Class 2(e) shall retain its rights and remedies under state law, but shall be enjoined from exercising those rights and remedies until April 1, 2012.
Class 3(a) Claims of Convenience Class	impaired	Holders of Class 3(a) claims shall receive payment in full, without interest, on or before April 10, 2010.

Class 3(b) -- Claims of General Unsecured Creditors	impaired	Class 3(b) claims shall accrue interest at the rate of 8% per annum simple interest from the Effective Date. Class 3(b) claims shall be due and payable in full on April 1, 2012.
Class 4 -- Interests of Equity Security Holders of Debtor	impaired	Holders of Class 4 equity interests shall retain their equity interests, but their equity interest will be reduced to as low as 85% of the membership interests in Debtor. On the Effective Date, Debtor will obtain a capital contribution of \$60,000 from Andrews or another person or entity. If the contribution is made by another person or entity, the contribution may be made in exchange for up to a 15% membership interest in Debtor.

ARTICLE 5

ALLOWANCE AND DISALLOWANCE OF CLAIMS

5.1 Disputed Claim. A disputed claim is a claim that has not been allowed or disallowed by a final non-appealable order, and as to which either: (i) a proof of claim has been filed or deemed filed, and the Debtor or another party in interest has filed an objection; or (ii) no proof of claim has been filed, and the Debtor has scheduled such claim as disputed, contingent, or unliquidated.

5.2 Delay of Distribution on a Disputed Claim. No distribution will be made on account of a disputed claim unless such claim is allowed by a final non-appealable order.

5.3 Settlement of Disputed Claims. The Debtor will have the power and authority to settle and compromise a disputed claim with approval of the Court and compliance with Rule 9019 of the Federal Rules of Bankruptcy Procedure.

ARTICLE 6

PROVISIONS FOR EXECUTORY CONTRACTS AND UNEXPIRED LEASES

6.1 Assumed Executory Contracts and Unexpired Leases.

6.1.1 The Debtor assumes all post-petition executory contracts and the following executory contracts and/or unexpired leases effective upon the Effective Date:

6.1.1.1 Lease of laundry space and equipment between Debtor and Coinmatch Corporation.

6.1.1.2 Subsidy contract between Debtor and the HOA, as amended.

6.1.1.3 Meadowood Village Grant of Easement and Maintenance Agreement.

6.1.1.4 Declaration of Annexation of Meadowood Village Phase 2 & Amendment to Meadowood Village Declaration of Restrictions, Amended and Restated.

6.1.1.5 Working Capital Fund Agreement between Debtor and the HOA, as amended.

6.1.2 The Debtor will be conclusively deemed to have rejected all executory contracts and/or unexpired leases not expressly assumed under section 6.1.1 above, or before the date of the order confirming this Plan, upon the Effective Date. A proof of a claim arising from the rejection of an executory contract or unexpired lease under this section must be filed no later than 30 days after the date of the order confirming this Plan.

ARTICLE 7

GENERAL PROVISIONS

7.1 Definitions and Rules of Construction. The definitions and rules of construction set forth in Sections 101 and 102 of the Code shall apply when terms defined or construed in the Code are used in this Plan, and they are supplemented by the following definitions:

7.1.1 "Banks" shall mean Bank of Sacramento and Pacific Coast Bankers' Bank together.

7.1.2 "Budget" shall mean Exhibit 1 hereto; provided, however, that Debtor and the Banks may agree to revise or amend the Budget, in which case the Budget as so revised or amended will be the "Budget" without further order of the Court.

7.1.3 "Capital Contribution" shall mean the contribution of capital to Debtor made pursuant to Section 9.2.5 below.

7.1.4 "Case" shall mean the above-captioned bankruptcy case of Debtor.

7.1.5 "Court" shall mean the United States Bankruptcy Court for the Eastern District of California, Sacramento Division, or such other court as has jurisdiction over Debtor in the Case.

1 7.1.6 "Deeds of Trust" shall mean the deeds of trust securing the Class 2(b) and
2 2(c) claims.

3 7.1.7 "Effective Date" shall have the meaning set forth in Section 7.2 below.

4 7.1.8 "Junior Loan" shall mean the loan that gave rise to the Class 2(c) claim.

5 7.1.9 "Loan Documents" shall mean those certain loan documents attached to the
6 respective proofs of claim filed by the Banks.

7 7.1.10 "Loans" shall mean the loans that gave rise to the Class 2(b) and 2(c)
8 claims.

9 7.1.11 "Restructured Loan Documents" shall mean those certain loan documents
10 modifying, evidencing, and governing the Loans as restructured as set out on Exhibit 2 hereto.

11 7.1.12 "Senior Loan" shall mean the loan that gave rise to the Class 2(b) claim.

12 7.2 Effective Date of Plan. The effective date of this Plan (the "Effective Date") is the
13 later of (i) the eleventh business day following the date of the entry of the order of confirmation
14 or (ii) February 1, 2010. But if a stay of the confirmation order is in effect on that date, the
15 Effective Date will be the first business day after that date on which no stay of the confirmation
16 order is in effect, provided that the confirmation order has not been vacated.

17 7.3 Severability. If any provision in this Plan is determined to be unenforceable, the
18 determination will in no way limit or affect the enforceability and operative effect of any other
19 provision of this Plan.

20 7.4 Binding Effect. The rights and obligations of any entity named or referred to in
21 this Plan will be binding upon, and will inure to the benefit of the successors or assigns of such
22 entity.

23 7.5 Captions. The headings contained in this Plan are for convenience of reference
24 only and do not affect the meaning or interpretation of this Plan.

25 7.6 Controlling Effect. Unless a rule of law or procedure is supplied by federal law
26 (including the Code or the Federal Rules of Bankruptcy Procedure), the laws of the State of
27 California govern this Plan and any agreements, documents, and instruments executed in
28 connection with this Plan, except as otherwise provided in this Plan.

1 7.7 Corporate Governance. Debtor shall be prohibited from issuing non-voting equity
2 securities until all prepetition claims have been paid in full.

3 **ARTICLE 8**

4 **DISCHARGE**

5 8.1 Discharge. On the Effective Date, Debtor will be discharged from any debt that
6 arose before confirmation of this Plan, subject to the occurrence of the Effective Date, to the
7 extent specified in Section 1141(d)(1)(A) of the Code, except that Debtor will not be discharged
8 of any debt: (i) imposed by this Plan; or (ii) of a kind specified in Section 1141(d)(6)(B).

9 **ARTICLE 9**

10 **OTHER PROVISIONS**

11 9.1 Revesting of Title. Except as provided in this Plan or in the confirmation order, on
12 the Effective Date, Debtor shall be vested with all of the property of the estate of Debtor free and
13 clear of all claims, liens, charges and other interests of creditors arising prior to the filing date
14 except for those liens specifically described in this Plan. After confirmation, Debtor shall be
15 entitled to liquidate its assets free of any restrictions of the Code based on the pendency of the
16 Case.

17 9.2 Means for Implementation of this Plan:

18 9.2.1 Subject to the Restructured Loan Documents, Debtor shall be authorized
19 (i) to lease all or any part of the Real Property on terms deemed, in the sole discretion of Debtor,
20 to be in Debtor's best interests; and (ii) to retain professionals and others, including, but not
21 limited to, property management professionals and leasing agents, to assist Debtor in leasing the
22 Real Property.

23 9.2.2 Debtor shall deposit in a segregated account all rents and other income of
24 the Real Property in accordance with the Restructured Loan Documents. The prepetition liens of
25 the Banks shall continue to attach to the funds in the segregated account.

26 9.2.3 Unless Debtor is in material default under the terms of this Plan or the
27 Restructured Loan Documents and such default is not cured within the time provided by the
28

1 Restructured Loan Documents, Debtor shall be authorized by the Restructured Loan Documents
2 to make disbursements from the segregated account for all of the following:

3 9.2.3.1 Costs of managing and operating the Real Property as and in
4 amounts not to exceed those set forth on the Budget, including, but not limited to, costs of the
5 property manager and leasing agent, costs under any agreement with the HOA that is assumed
6 hereunder (the Class 2(d) claims), and all maintenance and repair costs of the Real Property;

7 9.2.3.2 Costs of completing construction on any portion of the Real
8 Property as and in amounts not to exceed those set forth on the Budget; and

9 9.2.3.3 Payment of Class 2(b), 2(c) and 3(a) claims pursuant to the
10 Restructured Loan Documents.

11 9.2.4 Further, Debtor shall be authorized to make disbursements from the Capital
12 Contribution for all of the following:

13 9.2.4.1 Payment of any amounts that may (whether or not there is a
14 default) otherwise be paid from the segregated account; and

15 9.2.4.2 Payment of administrative claims, except administrative claims
16 owed to Andrews.

17
18 9.2.5 To provide additional monies to fund this Plan, Debtor will obtain a cash
19 contribution of capital to Debtor in the amount of not less than \$60,000. The cash contribution
20 may be made by Debtor's current principal, Andrews, or another person. If made by a person
21 other than Andrews, the cash contribution may be made in exchange for membership interests in
22 Debtor equaling up to 15% of the ownership interest of Debtor.

23 9.3 Retention and Enforcement of Claims. Pursuant to Section 1123(b)(3) of the
24 Code, except as provided in the Restructured Loan Documents, Debtor shall retain and hereby
25 expressly reserves the right and discretion to prosecute or enforce any and all claims, including
26 but not limited to causes of action against third parties under applicable State or Federal law, held
27 by Debtor, whether such claims arose or accrued before or after the filing date. Without limiting
28 the foregoing, Debtor retains all claims, rights, causes of action that existed prior to the

1 commencement of the Case or any causes of actions that might arise under, among other things,
2 Sections 541, 542, 544, 546, 547, 548, 549 or 550 of the Code.

3 9.4 Claims for Postpetition Interest, Fees, Costs or Charges. Except as specifically
4 provided for as part of a claim allowed under the terms of this Plan, any claim for interest, fees,
5 costs, or charges, including attorneys' fees and costs, allowable under Section 506(b) and
6 accruing after the filing date but before the Effective Date shall be disallowed unless, on or before
7 30 days following the Effective Date, the creditor asserting such claim files a proof of claim
8 setting forth the amounts claimed accruing up to and including the Effective Date.

9 9.5 Post-Confirmation Payment of Professionals. All professionals, including but not
10 limited to attorneys and accountants, providing post-confirmation services to Debtor shall submit
11 periodic invoices to Debtor. Debtor is authorized to pay such periodic invoices without further
12 order of the Court.

13 9.6 Use of Code Section 1129(b). Debtor, as the proponent of this Plan, hereby
14 requests, pursuant to Section 1129(b) of the Code, that the Court find that the provisions of this
15 Plan provide fair and equitable treatment to, and do not unfairly discriminate against, those
16 claimants and interest holders who are impaired under this Plan and who elect not to accept this
17 Plan, and that the Court confirm this Plan under the so-called "cram-down" provisions of the Plan
18 pursuant to Section 1129(b) of the Code notwithstanding the requirement of Section 1129(a)(8) of
19 the Code as to such claimants.

20 9.7 Retention of Jurisdiction. Notwithstanding confirmation of this Plan or the
21 Effective Date having occurred, the Court shall retain full jurisdiction as provided in 28 U.S.C.
22 §1334 to enforce the provisions, purposes, and intent of this Plan including, without limitation:

23 9.7.1 Determination of the allowability and classification of claims and interests
24 upon objection to such claims and interests;

25 9.7.2 Determination of requests for payment of Claims entitled to priority under
26 Section 507(a)(1) of the Code, including compensation of parties entitled thereto;
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1 9.7.3 Resolution of controversies and disputes regarding interpretation of this
2 Plan;

3 9.7.4 Implementation of the provisions of this Plan and entry of orders in aid of
4 confirmation, including, without limitation, appropriate orders to protect Debtor from creditor
5 action;

6 9.7.5 Modification of this Plan pursuant to Section 1127 of the Code;

7 9.7.6 Adjudication of any causes of action, including avoiding powers actions,
8 brought by Debtor;

9 9.7.7 Entry of a final decree closing the Case.

10 DATED: November 16, 2009

WILKE, FLEURY, HOFFELT,
GOULD & BIRNEY, LLP

11
12
13 By: 

DANIEL L. EGAN

Attorneys for Debtor

SUMMERFIELD APARTMENTS IN
DIXON, LLC

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15
16 SUMMERFIELD APARTMENTS IN DIXON, LLC

17
18 By: 

Frank J. Andrews, Jr., Managing Member

EXHIBIT 1
(PROJECTIONS)
[See Following Pages]

BANKRUPTCY PLAN PROJECTIONS

	2009	2009	2009	2009	2009	2009	2009	2009	2010	2010
	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	
INCOME										
*GROSS SCHEDULED RENTS	5,035	12,290	20,540	32,390	43,345	52,350	58,440	60,230	66,855	
Rental Income										
5120 Rental Income	5,035	12,290	20,540	32,390	43,345	52,350	56,290	60,230	66,855	
5165 Promotional Rent	-	-	-	-	-	-	-	-	-	-
5125 Rent-Employee Unit	2,150	2,150	2,150	2,150	2,150	2,150	2,150	2,150	2,150	
Total Rental Income	7,185	14,440	22,690	34,540	45,495	54,500	58,440	62,380	69,005	
Financial Income										
5410 Interest Income	-	-	-	-	-	-	-	-	-	-
5490 Misc. Financial Income	-	-	-	-	-	-	-	-	-	-
Total Financial Income	-	-	-	-	-	-	-	-	-	-
Other Income										
Balance forward	61,370									
Homeowners Maint. Fees	307	307	307	307	307	307	307	307	307	
5920 NSF & Late Charges	-	-	-	-	-	-	-	-	-	-
5921 Credit Check Fees	200	225	250	300	300	300	175	125	125	
5910 Laundry & Vending	875	875	875	875	875	875	875	875	875	
5175 Bad Debt Collected	-	-	-	-	-	-	-	-	-	-
5190 Misc. Income	-	-	-	-	-	-	-	-	-	-
Total Other Income	62,752	1,407	1,432	1,482	1,482	1,482	1,357	1,307	1,307	
TOTAL INCOME	69,937	15,847	24,122	36,822	46,977	55,982	59,797	63,687	70,312	
EXPENSES										
Renting Expenses										
6210 Advertising	2,100	1,500	1,200	1,100	1,000	1,000	1,000	1,000	1,000	
6251 Commissions & Referrals	300	500	500	500	500	300	300	300	300	
6250 Promotional Expense	2,825	500	400	400	400	400	400	400	400	
6253 Furniture Rental	-	-	-	-	-	-	-	-	-	-
6252 Credit Checks	200	225	250	300	300	300	175	125	125	
Total Renting Expense	5,425	2,725	2,350	2,300	2,200	2,000	1,875	1,825	1,825	
Administrative Expense										
6311 Office Supplies	650	125	125	125	125	125	125	125	125	
6316 Office Equip./Repair	25	25	25	25	25	25	25	25	25	
6320 Management Fees	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	
6330 Resident Manager's Salary	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	
6331 Employee's Apt Allowance	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	
6332 Administrative Fees	72	72	72	72	72	72	72	72	72	
6340 Legal Expense	-	-	-	-	-	-	-	-	-	-
6350 Auditing Fees	-	-	-	-	-	-	-	-	-	-
6351 Bookkeeping/Accounting Fees	-	-	-	-	-	-	-	-	-	-
6360 Telephone	275	275	275	275	275	275	275	275	275	
6365 Postage & Messenger	15	15	15	15	15	15	15	15	15	
6370 Bad Debts	-	-	-	-	-	-	-	-	-	-
6380 Meetings & Training	-	-	-	-	-	-	-	-	-	-
6390 Misc. Administration Exp	-	-	-	-	-	-	-	-	-	-
Total Administrative Expense	9,787	9,262	9,262	9,262	9,262	9,262	9,262	9,262	9,262	
Utility Expenses										
6458 Electricity - Vacant Units/Emp	250	250	250	250	250	250	250	250	250	
6459 Gas - Vacant Units/Emp	45	45	45	45	45	45	45	45	45	
6450 Electricity	835	835	835	835	835	835	835	835	835	
6451 Water	3,275	3,275	3,275	3,275	3,275	3,275	3,275	3,275	3,275	
6452 Gas	255	255	255	255	255	255	255	255	255	
6453 Sewer	2,650	2,650	2,650	2,650	2,650	2,650	2,650	2,650	2,650	
Total Utility Expense	7,310	7,310	7,310	7,310	7,310	7,310	7,310	7,310	7,310	

MEADOWOOD VILLAGE
Dixon, California
BANKRUPTCY PLAN PROJECTIONS
LEASE UP BUDGET 2009-2012

	2009	2009	2009	2009	2009	2009	2009	2010	2010
	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB
Operating Expenses									
6515 Cleaning Supplies	10	10	10	10	10	10	10	10	10
6445 Automobile Expense	15	15	15	15	15	15	15	15	15
6519 Exterminating Contract	250	250	250	250	250	250	250	250	250
6520 Exterminating Supplies	-	-	-	-	-	-	-	-	-
6525 Garbage & Trash Removal	1,663	1,663	1,663	1,663	1,663	3,325	3,325	3,325	3,325
6529 Antenna Repair	-	-	-	-	-	-	-	-	-
6547 Swimming Pool Maintenance	175	175	175	175	175	175	175	175	175
6548 Sweeping Contract	-	-	-	-	-	-	-	-	-
6480 Cable Television	-	-	-	-	-	-	-	-	-
Total Operating Expense	2,113	2,113	2,113	2,113	2,113	3,775	3,775	3,775	3,775
Maintenance Expenses									
6531 Security - Contracted	-	-	-	-	-	-	-	-	-
6530 Security - Payroll	-	-	-	-	-	-	-	-	-
6532 Fire Extinguishers	-	-	-	-	-	-	-	-	-
6533 Locks/Keys	10	10	10	10	10	10	10	10	10
6535 Grounds - Payroll	-	-	-	-	-	-	-	-	-
6536 Grounds - Supplies	10	10	10	10	10	10	10	10	10
6537 Grounds - Contract	1,450	1,450	1,450	1,450	1,450	1,450	1,450	1,450	1,450
6517 Cleaning - Contracted	45	45	45	45	45	45	45	45	45
6510 Cleaning - Payroll	-	-	-	-	-	-	-	-	-
6540 Repairs Payroll	1,000	1,000	1,500	1,900	2,650	2,650	2,650	2,650	2,650
6541 Repairs Material	50	50	50	150	250	345	345	345	250
6552 Carpet Maintenance	-	-	-	-	-	-	35	35	35
6546 Heating Repairs	-	-	-	-	-	125	125	125	125
6551 A/C Maintenance	500	500	500	500	500	-	-	-	-
6544 Plumbing Repairs	200	200	200	200	200	200	200	200	200
6543 Appliance Repairs	-	-	-	-	-	-	-	-	-
6562 Drapes Maintenance	-	-	-	-	-	-	-	-	-
6539 Paving	-	-	-	-	-	-	-	-	-
6561 Painting Supplies	-	-	-	-	-	-	-	-	-
6558 Exterior Painting	-	-	-	-	-	-	-	-	-
6559 Painting/Wall Covering	-	-	-	-	-	-	-	-	-
6563 Roof Repairs & Maint	-	-	-	-	-	-	-	-	-
6560 Decorating Payroll	-	-	-	-	-	-	-	-	-
6542 Repairs Contract	-	-	-	-	-	-	-	-	-
6538 Grounds Improvement	2,750	250	-	-	-	400	-	-	-
6568 Glass & Screen	-	-	-	-	-	-	-	-	-
6549 Electrical/Lights	50	50	50	50	50	50	50	50	50
6550 Signs	1,500	-	-	-	-	-	-	-	-
6570 Vehicle/Equip Repairs	-	-	-	-	-	-	-	-	-
6580 Towing	-	-	-	-	-	-	-	-	-
6590 Misc O/P & Maint Expense	-	-	-	-	-	-	-	-	-
Total Maintenance Expense	7,565	3,565	3,815	4,315	5,165	5,285	4,920	4,920	4,825
Taxes & Insurance									
6710 Property Taxes	-	-	-	-	-	-	-	-	-
6711 Payroll Taxes	550	550	619	674	777	777	777	777	777
Back Property Taxes	-	-	-	-	-	-	-	-	-
6720 Property Liah/Flood Ins	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375
6722 Worker's Compensation	218	218	238	253	283	283	283	283	283
6721 Fidelity Bond	-	-	-	-	-	-	50	-	-
6723 Health Insurance	495	495	495	495	495	495	495	495	495
6729 Other Insurance	-	-	-	-	-	-	-	-	-
6719 Misc. Taxes/Licenses	175	175	175	175	175	175	175	175	175
Total Taxes & Insurance	2,813	2,813	2,901	2,972	3,105	3,105	3,155	3,105	3,105

BANKRUPTCY PLAN PROJECTIONS

[illegible]

NET Operating Income	32,011	(14,854)	(6,543)	4,836	14,908	22,331	26,586	30,576	37,296
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NET Operating Income	32,011	(14,854)	(6,543)	4,836	14,908	22,331	26,586	30,576	37,296
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6828	Debt Service - 1st TD P/I								
	Debt Service - 2nd TD P/I								
6890	Miscellaneous Fin Exp								
	Chapter 11 QTRLY FEE			975		975			4,875
	Convenience Class					2,556			
	Total Financial Expense	-	-	975	-	3,531	-	-	4,875

[illegible]

NET Cash AFTER Finance and CAPITAL Costs Prior to Contributions	32,011	(14,854)	(7,518)	4,836	14,908	18,800	(5,828)	(1,838)	7
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[illegible]

Capital Contributions CASH	60,000
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MEADOWOOD VILLAGE

Dixon, California

BANKRUPTCY PLAN PROJECTIONS**LEASE UP BUDGET 2009-2012**

	2009	2009	2009	2009	2009	2009	2009	2010	2010
	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB
Month End Cash Balance	37,256	25,146	20,624	28,855	47,908	71,254	69,571	131,879	136,031

Note: Actual Cash Balances 41,891 27,367 47,236 14,143 9,519 57,228

This budget is an estimate only and actual income and expenses are subject to change.

OT Income from Homeowner's Dues for
monthly share of maintenance and service
costs

OT Costs and Expenses are annualized and
divided by 12.

LEASE UP BUDGET 2009-2012

Note 1

MEADOWOOD VILLAGE

Dixon, California

LEASE UP BUDGET 2009-2012

	2010	2010	2010	2010	2010	2010	2010	2010	2010
	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV
Operating Expenses									
6515 Cleaning Supplies	10	10	10	10	10	10	10	10	10
6445 Automobile Expense	15	15	15	15	15	15	15	15	15
6519 Exterminating Contract	250	250	250	250	250	250	250	250	250
6520 Exterminating Supplies	-	-	-	-	-	-	-	-	-
6525 Garbage & Trash Removal	3,325	3,325	3,325	3,325	3,325	3,325	3,325	3,325	3,325
6529 Antenna Repair	-	-	-	-	-	-	-	-	-
6547 Swimming Pool Maintenance	175	175	175	175	175	175	175	175	175
6548 Sweeping Contract	-	-	-	-	-	-	-	-	-
6480 Cable Television	-	-	-	-	-	-	-	-	-
Total Operating Expense	3,775	3,775	3,775	3,775	3,775	3,775	3,775	3,775	3,775
Maintenance Expenses									
6531 Security - Contracted	-	-	-	-	-	-	-	-	-
6530 Security - Payroll	-	-	-	-	-	-	-	-	-
6532 Fire Extinguishers	-	-	-	-	-	400	-	-	-
6533 Locks/Keys	10	10	10	10	10	10	10	10	10
6535 Grounds - Payroll	-	-	-	-	-	-	-	-	-
6536 Grounds - Supplies	10	10	10	10	10	10	10	10	10
6537 Grounds - Contract	1,450	1,450	1,450	1,450	1,450	1,450	1,450	1,450	1,450
6517 Cleaning - Contracted	45	45	45	45	45	45	45	45	45
6510 Cleaning - Payroll	-	-	-	-	-	-	-	-	-
6540 Repairs Payroll	2,650	2,650	2,650	2,650	2,650	2,650	2,650	2,650	2,650
6541 Repairs Material	345	345	345	345	345	345	345	345	345
6552 Carpet Maintenance	35	35	35	35	35	35	35	35	35
6546 Heating Repairs	125	125	125	-	-	-	-	-	125
6551 A/C Maintenance	-	-	500	500	500	500	500	500	-
6544 Plumbing Repairs	200	200	200	200	200	200	200	200	200
6543 Appliance Repairs	-	-	-	85	85	85	85	85	85
6562 Drapes Maintenance	-	-	-	95	95	95	95	95	95
6539 Paving	-	-	-	-	-	-	-	-	-
6561 Painting Supplies	-	-	-	225	225	225	225	225	225
6558 Exterior Painting	-	-	-	-	-	-	-	-	-
6559 Painting/Wall Covering	-	-	-	750	750	750	750	750	750
6563 Roof Repairs & Maint	-	-	-	175	175	175	175	175	175
6560 Decorating Payroll	-	-	-	-	-	-	-	-	-
6542 Repairs Contract	-	-	-	295	295	295	295	295	295
6538 Grounds Improvement	-	-	400	75	75	75	75	75	75
6568 Glass & Screen	-	-	-	35	35	35	35	35	35
6549 Electrical/Lights	50	50	50	95	95	95	95	95	95
6550 Signs	-	-	-	35	35	35	35	35	35
6570 Vehicle/Equip Repairs	-	-	-	-	-	-	-	-	-
6580 Towing	-	-	-	-	-	-	-	-	-
6590 Misc O/P & Maint Expense	-	-	-	-	-	-	-	-	-
Total Maintenance Expense	4,920	4,920	5,820	7,110	7,110	7,510	7,110	7,110	6,735
Taxes & Insurance									
6710 Property Taxes	-	-	-	-	-	-	-	-	-
6711 Payroll Taxes	777	777	777	756	756	756	756	756	756
Back Property Taxes	-	-	-	4,746	-	-	4,746	-	-
6720 Property Liab/Flood Ins	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375
6722 Worker's Compensation	283	283	283	277	277	277	277	277	277
6721 Fidelity Bond	-	-	-	-	-	-	-	-	-
6723 Health Insurance	495	495	495	495	495	495	495	495	495
6729 Other Insurance	-	-	-	-	-	-	-	-	-
6719 Misc. Taxes/Licenses	175	175	175	175	175	175	175	175	175
Total Taxes & Insurance	3,105	3,105	3,105	7,824	3,078	3,078	7,824	3,078	3,078

MEADOWOOD VILLAGE

Dixon, California

LEASE UP BUDGET 2009-2012

	2010	2010	2010	2010	2010	2010	2010	2010	2010
	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV
Reserve	2,913	2,913	2,913	2,913	2,913	2,913	2,913	2,913	2,913

TOTAL EXP. BEFORE FINANCIAL	33,260	33,285	33,972	39,556	34,576	34,985	39,331	34,585	34,210
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NET Operating Income	42,201	46,646	50,959	49,920	59,070	58,884	54,688	59,459	59,834
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NET Operating Income	42,201	46,646	50,959	49,920	59,070	58,884	54,688	59,459	59,834
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Financial Expense

6828 Debt Service - 1st TD P/I						38,930	38,930	38,930	38,930
Debt Service - 2nd TD P/I									
6890 Miscellaneous Fin Exp									
Chapter 11 QTRLY FEE			4,875			4,875			1,950
Convenience Class									
Total Financial Expense	-	-	4,875	-	-	43,805	38,930	38,930	40,880

Less: Curr. Year Capital Additions

CONSTRUCTION:									
Interior Paint	300	300	300	300	300	300	300	500	
Cabinets & Installation	-	-	12,800	12,800	12,800	12,800	12,800	12,514	
Tub Enclosures/Shower Doors	650	650	650	650	650	650	650	650	
Flooring	7,880	7,880	7,880	7,880	7,880	7,880	7,880	7,866	
Bath Med Cabinet & Mirror	530	530	530	530	530	530	530	500	
Kitchen/Bath Counters	5,580	5,580	5,580	5,580	5,580	5,580	5,580	5,580	
Window Coverings	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,228	
Plumbing Fixtures	1,290	1,290	1,290	1,290	1,290	1,290	1,290	1,300	
Toilets	1,635	1,635	1,635	1,635	1,635	1,635	1,635	1,641	
Kitchen Appliances	6,090	6,090	6,090	6,090	6,090	6,090	6,090	6,100	
Windows & Screens	365	365	365	365	365	365	365	350	
Ceiling Rertexture & Drywall	1,000	1,000	1,000	1,000	1,000	1,000	1,000	-	
Lighting Fixtures/ Ceiling Fans	1,420	1,420	1,420	1,420	1,420	1,420	1,420	1,400	
Other (Smoke Detectors, misc)	115	115	115	115	115	115	115	98	
Patio Tile / Upper Epoxy Decks	840	840	840	840	840	840	840	820	
Door hardware / Baseboards	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	
Electrical (switches, plates, outlets, the	330	330	330	330	330	330	330	300	
1470 Maintenance Equipment									
1486 Floor covering Replacement									
1487 Drapery Replacement									
1488 Appliance Replacements									
1489 HVAC Replacements									
1484 Roof Replacements									
1430 Building Improvements									
1490 Misc. Fixed Assets									
Total Additions	32,414	32,414	45,214	45,214	45,214	45,214	45,214	44,006	-

NET Cash AFTER Finance and CAPITAL Costs Prior to Contributions	9,787	14,232	870	4,706	13,856	(30,135)	(29,456)	(23,477)	18,954
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Capital Contributions Services Accounts 6517, 6537, 6538 & 6540:	4,145	4,145	4,545	4,220	4,220	4,220	4,220	4,220	4,220
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Capital Contributions CASH

MEADOWOOD VILLAGE
Dixon, California
LEASE UP BUDGET 2009-2012

	2010	2010	2010	2010	2010	2010	2010	2010	2010
	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV
Month End Cash Balance	149,964	168,341	173,757	182,683	200,759	174,844	149,607	130,350	153,524

Note: Actual Cash Balances

This budget is an estimate only and actual income

NOT Income from Homeowner's Dues for
monthly share of maintenance and service
costs

NOT Costs and Expenses are annualized and
divided by 12.

MEADOWOOD VILLAGE
Dixon, California
LEASE UP BUDGET 2009-2012

	2010
	DEC
INCOME	

***GROSS SCHEDULED RENTS** 97,320

Rental Income		
5120	Rental Income	90,412
5165	Promotional Rent	-
5125	Rent-Employee Unit	2,150
	Total Rental Income	92,562

Financial Income		
5410	Interest Income	-
5490	Misc. Financial Income	-
	Total Financial Income	-

Other Income		
	Balance forward	
ote 1	Homeworkers Maint. Fees	307
5920	NSF & Late Charges	150
5921	Credit Check Fees	250
5910	Laundry & Vending	875
5175	Bad Debt Collected	-
5190	Misc. Income	-
	Total Other Income	1,582

TOTAL INCOME 94,144

EXPENSES

Renting Expenses		
6210	Advertising	575
6251	Commissions & Referrals	200
6250	Promotional Expense	-
6253	Furniture Rental	-
6252	Credit Checks	250
	Total Renting Expense	1,025

Administrative Expense		
6311	Office Supplies	125
6316	Office Equip./Repair	25
6320	Management Fees	3,651
6330	Resident Manager's Salary	2,850
6331	Employee's Apt Allowance	2,250
6332	Administrative Fees	72
6340	Legal Expense	50
6350	Auditing Fees	-
6351	Bookkeeping/Accounting Fees	-
6360	Telephone	275
6365	Postage & Messenger	15
6370	Bad Debts	-
6380	Meetings & Training	45
6390	Misc. Administration Exp	15
	Total Administrative Expense	9,373

Utility Expenses		
6458	Electricity - Vacant Units/Emp	250
6459	Gas - Vacant Units/Emp	45
6450	Electricity	835
6451	Water	3,275
6452	Gas	265
6453	Sewer	2,650
	Total Utility Expense	7,310

MEADOWOOD VILLAGE
Dixon, California
LEASE UP BUDGET 2009-2012

2010

DEC

Operating Expenses

6515	Cleaning Supplies	10
6445	Automobile Expense	15
6519	Exterminating Contract	250
6520	Exterminating Supplies	-
6525	Garbage & Trash Removal	3,325
6529	Antenna Repair	-
6547	Swimming Pool Maintenance	175
6548	Sweeping Contract	-
6480	Cable Television	-
	Total Operating Expense	3,775

Maintenance Expenses

6511	Security - Contracted	-
6530	Security - Payroll	-
6532	Fire Extinguishers	-
6533	Locks/Keys	10
6535	Grounds - Payroll	-
6536	Grounds - Supplies	10
6537	Grounds - Contract	1,450
6517	Cleaning - Contracted	45
6510	Cleaning - Payroll	-
6540	Repairs Payroll	2,650
6541	Repairs Material	345
6552	Carpet Maintenance	35
6546	Heating Repairs	125
6551	A/C Maintenance	-
6544	Plumbing Repairs	200
6543	Appliance Repairs	85
6562	Drapes Maintenance	95
6539	Paving	-
6561	Painting Supplies	225
6558	Exterior Painting	-
6559	Painting/Wall Covering	750
6563	Roof Repairs & Maint	175
6560	Decorating Payroll	-
6542	Repairs Contract	295
6538	Grounds Improvement	75
6568	Glass & Screen	35
6549	Electrical/Lights	95
6550	Signs	35
6570	Vehicle/Equip Repairs	-
6580	Towing	-
6590	Misc O/P & Maint Expense	-
	Total Maintenance Expense	6,735

Taxes & Insurance

6710	Property Taxes	75,770
6711	Payroll Taxes	756
	Back Property Taxes	4,746
6720	Property Liab/Flood Ins	1,375
6722	Worker's Compensation	277
6721	Fidelity Bond	50
6723	Health Insurance	495
6729	Other Insurance	-
6719	Misc. Taxes/Licenses	175
	Total Taxes & Insurance	83,644

MEADOWOOD VILLAGE
Dixon, California
LEASE UP BUDGET 2009-2012

	2010
	DEC
Reserve	2,913

TOTAL EXP. BEFORE FINANCIAL	114,776
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NET Operating Income	(20,632)
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NET Operating Income	(20,632)
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Financial Expense	
6828 Debt Service - 1st TD P/I	38,930
Debt Service - 2nd TD P/I	
6890 Miscellaneous Fin Exp.	
Chapter 11 QTRLY FEE	
Convenience Class	
Total Financial Expense	38,930

Less: Curr. Year Capital Additions

CONSTRUCTION:	
Interior Paint	
Cabinets & Installation	
Tub Enclosures/Shower Doors	
Flooring	
Bath Med Cabinet & Mirror	
Kitchen/Bath Counters	
Window Coverings	
Plumbing Fixtures	
Toilets	
Kitchen Appliances	
Windows & Screens	
Ceiling Retexture & Drywall	
Lighting Fixtures/ Ceiling Fans	
Other (Smoke Detectors, misc)	
Patio Tile / Upper Epoxy Decks	
Door hardware / Baseboards	
Electrical (switches, plates, outlets, the	
1470 Maintenance Equipment	
1486 Floor covering Replacement	
1487 Drapery Replacement	
1488 Appliance Replacements	
1489 HVAC Replacements	
1484 Roof Replacements	
1430 Building Improvements	
1490 Misc. Fixed Assets	
Total Additions	

NET Cash AFTER Finance and CAPITAL Costs Prior to Contributions	(59,562)
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Capital Contributions Services 4,220
Accounts 6517, 6537, 6538 & 6540.

Capital Contributions CASH

MEADOWOOD VILLAGE	
Dixon, California	
LEASE UP BUDGET 2009-2012	
	2010
	DEC
Month End Cash Balance	98,181

Note: Actual Cash Balances

This budget is an estimate only and actual income

OT Income from Homeowner's Dues for
monthly share of maintenance and service
costs

OT Costs and Expenses are annualized and
divided by 12.

Updated 12/11/2009 10:59

Dixon, California

LEASE UP BUDGET 2009-2012

	2011	2011	2011	2011	2011	2011	2011	2011	2011
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
INCOME									
*GROSS SCHEDULED RENTS	97,320	97,320	97,320	97,320	97,320	97,320	97,320	97,320	97,320
Rental Income									
5120 Rental Income	90,412	90,412	90,412	90,412	90,412	90,412	90,412	90,412	90,412
5165 Promotional Rent	-	-	-	-	-	-	-	-	-
5125 Rent-Employee Unit	2,150	2,150	2,150	2,150	2,150	2,150	2,150	2,150	2,150
Total Rental Income	92,562	92,562	92,562	92,562	92,562	92,562	92,562	92,562	92,562
Financial Income									
5410 Interest Income	-	-	-	-	-	-	-	-	-
5490 Misc. Financial Income	-	-	-	-	-	-	-	-	-
Total Financial Income	-	-	-	-	-	-	-	-	-
Other Income									
Balance forward									
Homeowners Maint. Fees	307	307	307	307	307	307	307	307	307
NSF & Late Charges	150	150	150	150	150	150	150	150	150
Credit Check Fees	250	250	250	250	250	250	250	250	250
Laundry & Vending	875	875	875	875	875	875	875	875	875
Bad Debt Collected	-	-	-	-	-	-	-	-	-
Misc. Income	-	-	-	-	-	-	-	-	-
Total Other Income	1,582	1,582	1,582	1,582	1,582	1,582	1,582	1,582	1,582
TOTAL INCOME	94,144	94,143	94,143	94,143	94,143	94,143	94,143	94,143	94,143
EXPENSES									
Renting Expenses									
6210 Advertising	575	575	575	575	575	575	575	575	575
6251 Commissions & Referrals	200	200	200	200	200	200	200	200	200
6250 Promotional Expense	-	-	-	-	-	-	-	-	-
6253 Furniture Rental	-	-	-	-	-	-	-	-	-
6252 Credit Checks	250	250	250	250	250	250	250	250	250
Total Renting Expense	1,025	1,025	1,025	1,025	1,025	1,025	1,025	1,025	1,025
Administrative Expense									
6311 Office Supplies	125	125	125	125	125	125	125	125	125
6316 Office Equip./Repair	25	25	25	25	25	25	25	25	25
6320 Management Fees	3,651	3,651	3,651	3,651	3,651	3,651	3,651	3,651	3,651
6330 Resident Manager's Salary	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850
6331 Employee's Apt Allowance	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250
6332 Administrative Fees	72	72	72	72	72	72	72	72	72
6340 Legal Expense	50	50	50	50	50	50	50	50	50
6350 Auditing Fees	-	-	-	-	-	-	-	-	-
6351 Bookkeeping/Accounting Fees	-	-	-	-	-	-	-	-	-
6360 Telephone	275	275	275	275	275	275	275	275	275
6365 Postage & Messenger	15	15	15	15	15	15	15	15	15
6370 Bad Debts	-	-	-	-	-	-	-	-	-
6380 Meetings & Training	45	45	45	45	45	45	45	45	45
6390 Misc. Administration Exp	15	15	15	15	15	15	15	15	15
Total Administrative Expense	9,373	9,373	9,373	9,373	9,373	9,373	9,373	9,373	9,373
Utility Expenses									
6458 Electricity - Vacant Units/Emp	250	250	250	250	250	250	250	250	250
6459 Gas - Vacant Units/Emp	45	45	45	45	45	45	45	45	45
6450 Electricity	835	835	835	835	835	835	835	835	835
6451 Water	3,275	3,275	3,275	3,275	3,275	3,275	3,275	3,275	3,275
6452 Gas	255	255	255	255	255	255	255	255	255
6453 Sewer	2,650	2,650	2,650	2,650	2,650	2,650	2,650	2,650	2,650
Total Utility Expense	7,310	7,310	7,310	7,310	7,310	7,310	7,310	7,310	7,310

MEADOWOOD VILLAGE

Updated 12/11/2009 10:59

Dixon, California

LEASE UP BUDGET 2009-2012

	2011	2011	2011	2011	2011	2011	2011	2011	2011
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
Operating Expenses									
6515 Cleaning Supplies	10	10	10	10	10	10	10	10	10
6445 Automobile Expense	15	15	15	15	15	15	15	15	15
6519 Exterminating Contract	250	250	250	250	250	250	250	250	250
6520 Exterminating Supplies	-	-	-	-	-	-	-	-	-
6525 Garbage & Trash Removal	3,325	3,325	3,325	3,325	3,325	3,325	3,325	3,325	3,325
6529 Antenna Repair	-	-	-	-	-	-	-	-	-
6547 Swimming Pool Maintenance	175	175	175	175	175	175	175	175	175
6548 Sweeping Contract	-	-	-	-	-	-	-	-	-
6480 Cable Television	-	-	-	-	-	-	-	-	-
Total Operating Expense	3,775	3,775	3,775	3,775	3,775	3,775	3,775	3,775	3,775
Maintenance Expenses									
6531 Security - Contracted	-	-	-	-	-	-	-	-	-
6530 Security - Payroll	-	-	-	-	-	-	-	-	-
6532 Fire Extinguishers	-	-	-	-	-	-	-	-	-
6533 Locks/Keys	10	10	10	10	10	10	10	10	10
6535 Grounds - Payroll	-	-	-	-	-	-	-	-	-
6536 Grounds - Supplies	10	10	10	10	10	10	10	10	10
6537 Grounds - Contract	1,450	1,450	1,450	1,450	1,450	1,450	1,450	1,450	1,450
6517 Cleaning - Contracted	45	45	45	45	45	45	45	45	45
6510 Cleaning - Payroll	-	-	-	-	-	-	-	-	-
6540 Repairs Payroll	2,650	2,650	2,650	2,650	2,650	2,650	2,650	2,650	2,650
6541 Repairs Material	345	345	345	345	345	345	345	345	345
6552 Carpet Maintenance	35	35	35	35	35	35	35	35	35
6546 Heating Repairs	125	125	125	125	-	-	-	-	-
6551 A/C Maintenance	-	-	-	-	500	500	500	500	500
6544 Plumbing Repairs	200	200	200	200	200	200	200	200	200
6543 Appliance Repairs	85	85	85	85	85	85	85	85	85
6562 Drapes Maintenance	95	95	95	95	95	95	95	95	95
6539 Paving	-	-	-	-	-	-	-	-	-
6561 Painting Supplies	225	225	225	225	225	225	225	225	225
6558 Exterior Painting	-	-	-	-	-	-	-	-	-
6559 Painting/Wall Covering	750	750	750	750	750	750	750	750	750
6563 Roof Repairs & Maint	175	175	175	175	175	175	175	175	175
6560 Decorating Payroll	-	-	-	-	-	-	-	-	-
6542 Repairs Contract	295	295	295	295	295	295	295	295	295
6538 Grounds Improvement	75	75	75	75	75	75	75	75	75
6568 Glass & Screen	35	35	35	35	35	35	35	35	35
6549 Electrical/Lights	95	95	95	95	95	95	95	95	95
6550 Signs	35	35	35	35	35	35	35	35	35
6570 Vehicle/Equip Repairs	-	-	-	-	-	-	-	-	-
6580 Towing	-	-	-	-	-	-	-	-	-
6590 Misc O/P & Maint Expense	-	-	-	-	-	-	-	-	-
Total Maintenance Expense	6,735	6,735	6,735	6,735	7,110	7,110	7,110	7,110	7,110
Taxes & Insurance									
6710 Property Taxes	-	-	-	23,678	-	-	-	-	-
6711 Payroll Taxes	756	756	756	756	756	756	756	756	756
Back Property Taxes	-	-	4,746	-	-	4,746	-	-	4,746
6720 Property Liab/Flood Ins	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,113	1,113
6722 Worker's Compensation	277	277	277	277	277	277	277	277	277
6721 Fidelity Bond	-	-	-	-	-	-	-	-	-
6723 Health Insurance	495	495	495	495	495	495	495	495	495
6729 Other Insurance	-	-	-	-	-	-	-	-	-
6719 Misc Taxes/Licenses	175	175	175	175	175	175	175	175	175
Total Taxes & Insurance	3,078	3,078	7,824	26,756	3,078	7,824	3,078	2,816	7,562

MEADOWOOD VILLAGE

Updated 12/11/2009 10:59

Dixon, California

LEASE UP BUDGET 2009-2012

	2011	2011	2011	2011	2011	2011	2011	2011	2011
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
Reserve	2,913	2,913	2,913	2,913	2,913	2,913	2,913	2,913	2,913

TOTAL EXP. BEFORE FINANCIAL	34,210	34,210	38,956	57,888	34,585	29,957	25,211	34,548	39,068
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NET Operating Income	59,934	59,933	55,187	36,255	59,558	64,186	68,932	59,595	55,075
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NET Operating Income	59,934	59,933	55,187	36,255	59,558	64,186	68,932	59,595	55,075
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Financial Expense

6828 Debt Service - 1st TD P/I	38,930	38,930	38,930	38,930	38,930	38,930	38,930	38,930	38,930
Debt Service - 2nd TD P/I									
6890 Miscellaneous Fin Exp.									
Chapter 11 QTRLY FEE		1,950			1,950			1,950	
Convenience Class									
Total Financial Expense	38,930	40,880	38,930	38,930	40,880	38,930	38,930	40,880	38,930

Less: Curr. Year Capital Additions

CONSTRUCTION:									
Interior Paint									
Cabinets & Installation									
Tub Enclosures/Shower Doors									
Flooring									
Bath Med Cabinet & Mirror									
Kitchen/Bath Counters									
Window Coverings									
Plumbing Fixtures									
Toilets									
Kitchen Appliances									
Windows & Screens									
Ceiling Rerecture & Drywall									
Lighting Fixtures/ Ceiling Fans									
Other (Smoke Detectors, misc)									
Patio Tile / Upper Epoxy Decks									
Door hardware / Baseboards									
Electrical (switches, plates, outlets, the									
1470 Maintenance Equipment									
1486 Floor covering Replacement									
1487 Drapery Replacement									
1488 Appliance Replacements									
1489 HVAC Replacements									
1484 Roof Replacements									
1430 Building Improvements									
1490 Misc. Fixed Assets									
Total Additions	-	-	-	-	-	-	-	-	-

NET Cash AFTER Finance and CAPITAL Costs Prior to Contributions	21,004	19,053	16,257	(2,675)	18,678	25,256	30,002	18,715	16,145
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Capital Contributions Services 4,220 4,220 4,220 4,220 4,220 4,220 4,220 4,220 4,220

Accounts 6517, 6537, 6538 & 6540.

Capital Contributions CASH

MEADOWOOD VILLAGE

Updated 12/11/2009 10:59

Dixon, California

LEASE UP BUDGET 2009-2012

	2011	2011	2011	2011	2011	2011	2011	2011	2011
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
Month End Cash Balance	123,405	146,678	167,155	168,700	191,598	221,074	255,295	278,230	298,595

Note: Actual Cash Balances

This budget is an estimate only and actual income

Income from Homeowner's Dues for
monthly share of maintenance and service
costs

Costs and Expenses are annualized and
divided by 12.

MEADOWOOD VILLAGE
Dixon, California
LEASE UP BUDGET 2009-2012

Number of Units:

	2011	2011	2012	2012	2012	2012	2012	2012
	OCT	NOV	DEC	JAN	FEB	MAR	APR	May

Operating Expenses

6515 Cleaning Supplies	10	10	10	10	10	10	10	10
6445 Automobile Expense	15	15	15	15	15	15	15	15
6519 Exterminating Contract	250	250	250	250	250	250	250	250
6520 Exterminating Supplies	-	-	-	-	-	-	-	-
6525 Garbage & Trash Removal	3,325	3,325	3,325	3,325	3,325	3,325	3,325	3,325
6529 Antenna Repair	-	-	-	-	-	-	-	-
6547 Swimming Pool Maintenance	175	175	175	175	175	175	175	175
6548 Sweeping Contract	-	-	-	-	-	-	-	-
6480 Cable Television	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total Operating Expense	3,775	3,775	3,775	3,775	3,775	3,775	3,775	3,775

Maintenance Expenses

6531 Security - Contracted	-	-	-	-	-	-	-	-
6530 Security - Payroll	-	-	-	-	-	-	-	-
6532 Fire Extinguishers	-	-	-	-	-	-	-	-
6533 Locks/Keys	10	10	10	10	10	10	10	10
6535 Grounds - Payroll	-	-	-	-	-	-	-	-
6536 Grounds - Supplies	10	10	10	10	10	10	10	10
6537 Grounds - Contract	1,450	1,450	1,450	1,450	1,450	1,450	1,450	1,450
6517 Cleaning - Contracted	45	45	45	45	45	45	45	45
6510 Cleaning - Payroll	-	-	-	-	-	-	-	-
6540 Repairs Payroll	2,650	2,650	2,650	2,650	2,650	2,650	2,650	2,650
6541 Repairs Material	345	345	345	345	345	345	345	345
6552 Carpet Maintenance	35	35	35	35	35	35	35	35
6546 Heating Repairs	-	-	-	-	-	-	-	-
6551 A/C Maintenance	500	500	500	500	500	500	500	500
6544 Plumbing Repairs	200	200	200	200	200	200	200	200
6543 Appliance Repairs	85	85	85	85	85	85	85	85
6562 Drapes Maintenance	95	95	95	95	95	95	95	95
6519 Paving	-	-	-	-	-	-	-	-
6561 Painting Supplies	225	225	225	225	225	225	225	225
6558 Exterior Painting	-	-	-	-	-	-	-	-
6559 Painting/Wall Covering	750	750	750	750	750	750	750	750
6563 Roof Repairs & Maint	175	175	175	175	175	175	175	175
6560 Decorating Payroll	-	-	-	-	-	-	-	-
6542 Repairs Contract	295	295	295	295	295	295	295	295
6538 Grounds Improvement	75	75	75	75	75	75	75	75
6568 Glass & Screen	35	35	35	35	35	35	35	35
6549 Electrical/Lights	95	95	95	95	95	95	95	95
6550 Signs	35	35	35	35	35	35	35	35
6570 Vehicle/Equip Repairs	-	-	-	-	-	-	-	-
6580 Towing	-	-	-	-	-	-	-	-
6590 Misc O/P & Maint Expense	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total Maintenance Expense	7,110	7,110	7,110	7,110	7,110	7,110	7,110	7,110

Taxes & Insurance

6710 Property Taxes	-	-	23,678	-	-	-	23,678	-
6711 Payroll Taxes	756	756	756	756	756	756	756	756
Back Property Taxes	-	-	4,746	-	-	4,746	-	-
6720 Property Liab/Flood Ins	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113
6722 Worker's Compensation	277	277	277	277	277	277	277	277
6721 Fidelity Bond	-	-	-	-	50	-	-	-
6723 Health Insurance	495	495	495	495	495	495	495	495
6729 Other Insurance	-	-	-	-	-	-	-	-
6719 Misc. Taxes/Licenses	175	175	175	175	175	175	175	175
	-	-	-	-	-	-	-	-
Total Taxes & Insurance	2,816	2,816	31,240	2,816	2,866	7,562	26,494	2,816

MEADOWOOD VILLAGE

Dixon, California

Number of Units:

LEASE UP BUDGET 2009-2012

	2011	2011	2012	2012	2012	2012	2012	2012
	OCT	NOV	DEC	JAN	FEB	MAR	APR	May
Reserve	2,913	2,913	2,913	2,913	2,913	2,913	2,913	2,913

TOTAL EXP. BEFORE FINANCIAL	34,322	34,322	62,746	34,322	34,372	39,868	48,627	24,949
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NET Operating Income	59,821	59,821	31,397	59,821	59,771	55,075	45,516	69,194
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NET Operating Income	59,821	59,821	31,397	59,821	59,771	55,075	45,516	69,194
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Financial Expense

6828 Debt Service - 1st TD P/I	38,930	38,930	38,930	38,930	38,930	38,930	38,930	38,930
Debt Service - 2nd TD P/I								
6890 Miscellaneous Fin Exp.								
Chapter 11 QTRLY FEE		1,950			1,950			1,950
Convenience Class								
Total Financial Expense	38,930	40,880	38,930	38,930	40,880	38,930	38,930	40,880

Less: Curr. Year Capital Additions

CONSTRUCTION:								
Interior Paint								
Cabinets & Installation								
Tub Enclosures/Shower Doors								
Flooring								
Bath Med Cabinet & Mirror								
Kitchen/Bath Counters								
Window Coverings								
Plumbing Fixtures								
Toilets								
Kitchen Appliances								
Windows & Screens								
Ceiling Rerecture & Drywall								
Lighting Fixtures/ Ceiling Fans								
Other (Smoke Detectors, misc)								
Patio Tile / Upper Epoxy Decks								
Door hardware / Baseboards								
Electrical (switches, plates, outlets, the								
1470 Maintenance Equipment								
1486 Floor covering Replacement								
1487 Drapery Replacement								
1488 Appliance Replacements								
1489 HVAC Replacements								
1484 Roof Replacements								
1430 Building Improvements								
1490 Misc. Fixed Assets								
Total Additions	-	-	-	-	-	-	-	-

NET Cash AFTER Finance and CAPITAL Costs Prior to Contributions	20,891	18,941	(7,533)	20,891	18,891	16,145	6,586	28,314
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Capital Contributions Services
Accounts 6517, 6537, 6538 & 6540.

Capital Contributions CASH

MEADOWOOD VILLAGE

Dixon, California

LEASE UP BUDGET 2009-2012

Number of Units:

	2011	2011	2012	2012	2012	2012	2012	2012
	OCT	NOV	DEC	JAN	FEB	MAR	APR	May
Month End Cash Balance	323,705	346,866	343,553	368,663	391,774	412,138	422,944	455,478

Note: Actual Cash Balances

This budget is an estimate only and actual income

Appraised Value -

Based on Rents in Pro forma of Bank of Sacramento Cap Rates

NOT Income from Homeowner's Dues for
monthly share of maintenance and service
costs

Plus Available cash

Total Value

NOT Costs and Expenses are annualized and
divided by 12.

Reduced By:

First Trust Deed Original Principal	5,508,083
Plus Accrued Interest to March 25, 2009	234,438
Plus Default Interest Through August 1, 2009	225,219
Plus Deferred Interest 12 Months	405,395
Second Trust Deed	549,093
Plus Deferred Interest 32 months	102,497

LIENS	44,800
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Creditors	151,333
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Capital Contributions Services	149,620
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Capital Contributions Cash	60,000
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<u>7,430,478</u>

Equity Remaining

MEADOWOOD VILLAGE

101

Dixon, California

LEASE UP BUDGET 2009-2012

	36 MONTHS TOTAL	% TO INCOME	PER UNIT COST
INCOME	\$		
*GROSS SCHEDULED RENTS	2,909,290	100.00%	28805
Rental Income			
5120 Rental Income	2,743,771	94.31%	27166
5165 Promotional Rent	-	0.00%	0
5125 Rent-Employee Unit	77,400	2.66%	766
Total Rental Income	2,821,171	96.97%	27932
Financial Income			
5410 Interest Income	-	0.00%	0
5490 Misc. Financial Income	-	0.00%	0
Total Financial Income	-	0.00%	0
Other Income			
Balance forward	61,370	2.11%	608
Note 1 Homeowners Maint. Fees	11,034	0.38%	109
5920 NSF & Late Charges	2,850	0.10%	28
5921 Credit Check Fees	8,750	0.30%	87
5910 Laundry & Vending	31,500	1.08%	312
5175 Bad Debt Collected	-	0.00%	0
5190 Misc. Income	-	0.00%	0
Total Other Income	115,504	3.97%	1144
TOTAL INCOME	2,936,675	100.94%	29876
EXPENSES			
Renting Expenses			
6210 Advertising	27,700	0.95%	274
6251 Commissions & Referrals	9,200	0.32%	91
6250 Promotional Expense	7,325	0.25%	73
6253 Furniture Rental	-	0.00%	0
6252 Credit Checks	8,875	0.31%	88
Total Renting Expense	53,100	1.83%	526
Administrative Expense			
6311 Office Supplies	5,025	0.17%	50
6316 Office Equip/Repair	900	0.03%	9
6320 Management Fees	129,639	4.46%	1284
6330 Resident Manager's Salary	104,400	3.59%	1034
6331 Employee's Apt Allowance	81,000	2.78%	802
6332 Administrative Fees	2,592	0.09%	26
6340 Legal Expense	1,200	0.04%	12
6350 Auditing Fees	-	0.00%	0
6351 Bookkeeping/Accounting Fees	-	0.00%	0
6360 Telephone	9,900	0.34%	98
6365 Postage & Messenger	540	0.02%	5
6370 Bad Debts	-	0.00%	0
6380 Meetings & Training	1,080	0.04%	11
6390 Misc. Administration Exp	360	0.01%	4
Total Administrative Expense	299,368	10.29%	2964
Utility Expenses			
6458 Electricity - Vacant Units/Emp	9,000	0.31%	89
6459 Gas - Vacant Units/Emp	1,620	0.06%	16
6450 Electricity	30,060	1.03%	298
6451 Water	117,900	4.05%	1167
6452 Gas	9,180	0.32%	91
6453 Sewer	95,400	3.28%	945
Total Utility Expense	263,160	9.05%	2606

MEADOWOOD VILLAGE

101

Dixon, California

LEASE UP BUDGET 2009-2012

	36 MONTHS TOTAL	% TO INCOME	PER UNIT COST
Operating Expenses			
6515 Cleaning Supplies	360	0.01%	4
6445 Automobile Expense	540	0.02%	5
6519 Exterminating Contract	9,000	0.31%	89
6520 Exterminating Supplies	-	0.00%	0
6525 Garbage & Trash Removal	111,390	3.83%	1103
6529 Antenna Repair	-	0.00%	0
6547 Swimming Pool Maintenance	6,300	0.22%	62
6548 Sweeping Contract	-	0.00%	0
6480 Cable Television	-	0.00%	0
Total Operating Expense	127,590	4.39%	1263
Maintenance Expenses			
6531 Security - Contracted	-	0.00%	0
6530 Security - Payroll	-	0.00%	0
6532 Fire Extinguishers	400	0.01%	4
6533 Locks/Keys	360	0.01%	4
6535 Grounds - Payroll	-	0.00%	0
6536 Grounds - Supplies	360	0.01%	4
6537 Grounds - Contract	52,200	1.79%	517
6517 Cleaning - Contracted	1,620	0.06%	16
6510 Cleaning - Payroll	-	0.00%	0
6540 Repairs Payroll	90,200	3.10%	893
6541 Repairs Material	11,150	0.38%	110
6552 Carpet Maintenance	1,050	0.04%	10
6546 Heating Repairs	1,625	0.06%	16
6551 A/C Maintenance	12,000	0.41%	119
6544 Plumbing Repairs	7,200	0.25%	71
6543 Appliance Repairs	2,040	0.07%	20
6562 Drapes Maintenance	2,280	0.08%	23
6539 Paving	-	0.00%	0
6561 Painting Supplies	5,400	0.19%	53
6558 Exterior Painting	-	0.00%	0
6559 Painting/Wall Covering	18,000	0.62%	178
6563 Roof Repairs & Maint	4,200	0.14%	42
6560 Decorating Payroll	-	0.00%	0
6542 Repairs Contract	7,080	0.24%	70
6538 Grounds Improvement	5,600	0.19%	55
6568 Glass & Screen	840	0.03%	8
6549 Electrical/Lights	2,880	0.10%	29
6550 Signs	2,340	0.08%	23
6570 Vehicle/Equip Repairs	-	0.00%	0
6580 Towing	-	0.00%	0
6590 Misc O/P & Maint Expense	-	0.00%	0
Total Maintenance Expense	228,825	7.87%	2266
Taxes & Insurance			
6710 Property Taxes	146,804	5.05%	1454
6711 Payroll Taxes	26,758	0.92%	265
Back Property Taxes	37,968	1.31%	376
6720 Property Liab/Flood Ins	46,875	1.61%	464
6722 Worker's Compensation	9,845	0.34%	97
6721 Fidelity Bond	150	0.01%	1
6723 Health Insurance	17,820	0.61%	176
6729 Other Insurance	-	0.00%	0
6719 Misc. Taxes/Licenses	6,300	0.22%	62
Total Taxes & Insurance	292,519	10.05%	2896

MEADOWOOD VILLAGE		101	
Dixon, California			
LEASE UP BUDGET 2009-2012			
	36 MONTHS TOTAL	% TO INCOME	PER UNIT COST
Reserve	104,868	3.60%	1038
TOTAL EXP. BEFORE FINANCIAL	1,369,430	47.07%	13559
NET Operating Income	1,567,245	53.87%	15517
NET Operating Income	1,567,245	53.87%	15517
Financial Expense			
6828 Debt Service - 1st TD P/I	856,460	29.44%	8480
Debt Service - 2nd TD P/I	-		
6890 Miscellaneous Fin Exp.	-	0.00%	0
Chapter II QTRLY FEE	30,225	1.04%	
Convenience Class			
Total Financial Expense	889,241	30.57%	8804
Less: Curr. Year Capital Additions			
CONSTRUCTION:			
Interior Paint	3,500	0.12%	
Cabinets & Installation	76,514	2.63%	
Tub Enclosures/Shower Doors	7,150	0.25%	
Flooring	86,666	2.98%	
Bath Med Cabinet & Mirror	5,800	0.20%	
Kitchen/Bath Counters	61,380	2.11%	
Window Coverings	13,528	0.46%	
Plumbing Fixtures	14,200	0.49%	
Toilets	17,991	0.62%	
Kitchen Appliances	67,000	2.30%	
Windows & Screens	4,000	0.14%	
Ceiling Retexture & Drywall	10,000	0.34%	
Lighting Fixtures/ Ceiling Fans	15,600	0.54%	
Other (Smoke Detectors, misc)	1,248	0.04%	
Patio Tile / Upper Epoxy Decks	9,220	0.32%	
Door hardware / Baseboards	34,749	1.19%	
Electrical (switches, plates, outlets, the	3,600	0.12%	
1470 Maintenance Equipment	-	0.00%	0
1486 Floor covering Replacement	-	0.00%	0
1487 Drapery Replacement	-	0.00%	0
1488 Appliance Replacements	-	0.00%	0
1489 HVAC Replacements	-	0.00%	0
1484 Roof Replacements	-	0.00%	0
1430 Building Improvements	-	0.00%	0
1490 Misc Fixed Assets	-	0.00%	0
Total Additions	432,146	14.85%	4279
NET Cash AFTER Finance and CAPITAL Costs Prior to Contributions	245,858	8.45%	2434

Capital Contributions Services	149,620
Accounts 6517, 6537, 6538 & 6540	
Capital Contributions CASH	60,000

MEADOWOOD VILLAGE Bixon, California LEASE UP BUDGET 2009-2012		101		
	36 MONTHS TOTAL	5% TO INCOME	PER UNIT COST	
Month End Cash Balance	455,478	Available Cash		

Note: Actual Cash Balances

This budget is an estimate only and actual income

Appraised value 7.5% Cap
rate on average last twelve
months net operating income

688,200
0.075

8,100,000 9,176,005

NOT Income from Homeowner's Dues for
monthly share of maintenance and service
costs

455,478 455,478

NOT Costs and Expenses are annualized and
divided by 12

8,555,478 9,631,484

(7,430,478) (7,430,478)

1,125,000 2,201,005

1
2 **EXHIBIT 2**

3 **(TREATMENT OF CLASS 2(b) AND 2(c) CLAIMS)**

4 The treatment of the claims in Class 2(b) and 2(c) shall be as follows:

- 5 1. On the Effective Date, the Senior Loan and the Junior Loan will be reinstated and
6 combined for the convenience of Debtor and the Banks into a single restructured loan (the
7 "Restructured Loan"). The Restructured Loan will continue to be secured by the Real
8 Property and associated personal property as provided in the Deeds of Trust but, since
9 there are no liens on the Real Property having priority between the respective priorities of
10 the Deeds of Trust, for the convenience of Debtor and the Banks, the junior of the Deeds
11 of Trust will be reconveyed as soon as is practicable after the Effective Date and the
12 Restructured Loan will on the Effective Date be deemed fully-secured by the senior of the
13 Deeds of Trust alone (that Deed of Trust, the "Senior Deed of Trust"). For the avoidance
14 of doubt, no change (other than simplification) is intended in the amounts due the Loans
15 or the aggregate security for the Loans by the combining of the Loans into the
16 Restructured Loan and the securing of the Restructured Loan by the Senior Deed of Trust
17 alone.
- 18 2. The Restructured Loan will mature on December 31, 2011 (the "Maturity Date").
- 19 3. The Restructured Loan will have an initial principal balance on the Effective Date equal to
20 the sum of (i) the combined principal balances of the Loans as of the Effective Date; and
21 (ii) all accrued but unpaid interest, attorneys' fees and costs, and other amounts due under
22 the Loans as of the Effective Date. The Restructured Loan will be evidenced by four new
23 notes (the "New Notes"):
- 24 (a) A-1 Note with an initial principal balance on the Effective Date of the principal
25 balance of the Senior Loans on that date;
- 26 (b) A-2 Note with an initial principal balance on the Effective Date of all accrued but
27 unpaid interest, attorneys' fees and costs, and other amounts due on the Senior
28 Loan on that date;

- (c) B-1 Note with an initial principal balance on the Effective Date of the principal balance of the Junior Loan on that date; and
- (d) B-2 Note with an initial principal balance on the Effective Date of all accrued but unpaid interest, attorneys' fees and costs, and other amounts due on the Junior Loan on that date.
4. Interest will accrue on the New Notes from the Effective Date to the date payments are to begin on the Restructured Loan as set out in paragraph 7 below (the "Payment Commencement Date") at the current non-default rates under each of the existing Loans (i.e., 8.5% for the A-1 Notes and the A-2 Note (those two notes, together, the "A Notes") and 7% for the B-1 Note and the B-2 Note (those two notes, together, the "B Notes")). From and after the Effective Date, accrued but unpaid interest on the A Notes will be added to the principal balance of the A-2 Note, and accrued but unpaid interest on the B Notes will be added to the principal balance of the B-2 Note. For the avoidance of doubt, no interest is anticipated to be paid on any of the New Notes prior to the Payment Commencement Date, and, thereafter, interest is anticipated to be paid only on certain of the New Notes.
5. After the Payment Commencement Date, interest will accrue on the New Notes at the following new interest rates (the "New Rates"; and the "New A Notes Rate" and the "New B Notes Rate", respectively). Once set, the New Rates will remain fixed through the Maturity Date. The earlier the Payment Commencement Date occurs, the lower the New Rates will be.

Payment Commencement Date	A Notes New Rate	B Notes New Rate
February 15, 2010	6.00%	5.75%
March 15, 2010	6.50%	6.00%
April 15, 2010	7.00%	6.25%
May 15, 2010	7.50%	6.50%
June 15, 2010	8.00%	6.75%
July 15, 2010	8.25%	6.85%
August 15, 2010	8.50%	7.00%

- 1 6. Debtor will start the remaining work necessary to renovate the unfinished units of the Real
2 Property to rentable condition in accordance with Exhibit 1 hereto (the "Renovation
3 Work") as soon as possible, and thereafter diligently continue the Renovation Work to
4 completion no later than August 15, 2010 (the "Outside Deadline").
- 5 7. The Payment Commencement Date will be the earliest of the following dates:
6 (a) the first 15th of a month after the Renovation Work has been completed (if the
7 work is completed on the 10th of a month, payments start 5 days later, not on the
8 15th of the next month);
9 (b) the 15th of any earlier month, before the Renovation Work has been completed, on
10 which Debtor's had voluntarily elected by written notice to the Banks to
11 commence making payments on the Restructured Loan; and
12 (c) the Outside Deadline.
- 13 8. The minimum required monthly payment on the Restructured Loan beginning on the
14 Payment Commencement Date (the "Minimum Monthly Payment") will be in the amount
15 of a fully amortizing principal and interest payment on the A-1 Note at the New A Notes
16 Rate based on a 25-year amortization schedule (*e.g.*, if the starting principal balance of the
17 A-1 Note is \$5,508,082.60 and the Payment Commencement Date is April 15, 2009, the
18 Minimum Monthly Payment on the Restructured Loan would be \$38,929.98).
- 19 9. In addition to the Minimum Monthly Payment, all Excess Cash Flow remaining at the end
20 of the prior month will be paid to the Banks on account of the Restructured Loan.
21 "Excess Cash Flow" means all cash on hand on the last day of that month in excess of a
22 reserve of \$65,000. The Excess Cash Flow payments would be applied to pay the A-2
23 Note, the B-1 Note, and the B-2 Note in that order, in each case, first to accrued but
24 unpaid interest and then to principal (including any accrued but unpaid interest that has
25 been added to the principal balance thereof after the Effective Date).
- 26 10. The Real Property must continue to be managed by the current property manager (the
27 Natoma Company) (the "Property Manager"), and all rents and other income from the
28 Real Property would be deposited to a cash management account—the segregated account

1 referenced in Sections 9.2.2 and 9.2.3 of the Plan above—at Bank of Sacramento. So long
2 as there are no uncured defaults, Debtor, through the Property Manager, will be permitted
3 to use the rents and other income from the Real Property by disbursements from the cash
4 management account to pay its management and operating expenses and for the
5 Renovation Work under the Budget as provided in Section 9.2.3 of the Plan above, and to
6 make payments due on the Restructured Loan.

- 7 11. The Loan Documents for the Senior Loan will remain in effect but be modified as of the
8 Effective Date by a Loan Modification Agreement to reflect the foregoing and the matters
9 addressed below (including modifying the Senior Loan Deed of Trust to secure the
10 A Notes and the B Notes). The New Notes will replace the existing notes evidencing the
11 Loans. The Debtor and Banks will enter into a Cash Management Agreement governing
12 the deposit of the rents and other income from the Real Property to the cash management
13 account and the disbursement of the funds therein. The Banks will have a security
14 interest in the cash management account to secure the Restructured Loan. The
15 Restructured Loan Documents will consist of the Loan Documents for the Senior Loan as
16 modified by the Loan Modification Agreement, the New Notes, the Loan Modification
17 Agreement, a modification of the Senior Deed of Trust, and the Cash Management
18 Agreement (the foregoing, the “Core Restructured Loan Documents”), together with those
19 ancillary agreements, certificates, instructions, and authorizations reasonably requested by
20 the Banks. The Core Restructured Loan Documents have not yet been drafted or agreed by
21 Debtor or the Banks, and agreement on the form and substance of such documents is a
22 condition precedent for confirmation of the Plan. The existing Loan Documents for the
23 Junior Loan will be cancelled (without, however, terminating Debtor’s obligations and
24 liabilities thereunder, which obligations and liabilities, from and after the Effective Date,
25 will be evidenced, governed, and secured by the Restructured Loan Documents). Debtor
26 will file the forms of the Core Restructured Loan Documents (to the extent that they are
27 new documents rather than the Loan Documents for the Senior Loan) in the Case not later
28 than five court days prior to the hearing on confirmation of this Plan.

- 1 12. The following provisions in the Loan Documents for the Senior Loan will be deleted by
2 the Loan Modification Agreement:
- 3 (a) loan-to-value ratio requirements;
 - 4 (b) release price provisions;
 - 5 (c) various of the provisions relating to construction advances;
 - 6 (d) limitations on cure rights for any default occurring for a second time within the
7 preceding 12-month period;
 - 8 (e) the "Adverse Change" default provision; and
 - 9 (f) the attorneys' fees provision will be modified to provide entitlement to attorneys'
10 fees and cost only upon occurrence of an event of default.
- 11 13. The other, existing cure rights in the Loan Documents for the Senior Loan will remain. A
12 right to cure payment defaults within 10 days after notice of default will be added to the
13 cure rights in the Restructured Loan Documents. Andrews will expressly have the same
14 cure rights as Debtor.
- 15 14. The Debtor will release the Banks from all claims arising or accruing prior to the Effective
16 Date. As set forth more fully in Article VIII, the Debtor shall be discharged from any and
17 all claims arising or accruing prior to the Effective Date, except those claims specifically
18 set forth in the Restructured Loan Documents or this Plan. On or before the date 14 days
19 prior to the date set for confirmation of the Plan, the Banks shall provide Debtor with a
20 statement of all amounts included in the Class 2(b) and Class 2(c) claims. On the
21 Effective Date, the claims of Class 2(b) and Class 2(c) will be deemed allowed and fully-
22 secured. All events of default occurring under the Loan Documents prior to the Effective
23 Date shall be deemed cured. The Notices of Default filed under the Deeds of Trust shall
24 be rescinded within 15 days of the Effective Date.
- 25 15. The liens and security interests securing the Restructured Loan will be deemed perfected
26 as of the Effective Date without further act or filing by the Banks, but the Banks will be
27 authorized to file or take other appropriate action to perfect or evidence the perfection of
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1 any such liens or security interests as it may desire, and Debtor shall cooperate therewith
2 (e.g., recording the modification of the Senior Deed of Trust).

- 3 16. Except as expressly provided herein, as between the Banks, the treatment of all accruals
4 on, capitalizations with respect to, payments on, and collections with respect to the
5 Restructured Loan, those matters will be governed by an intercreditor agreement between
6 the Banks, under which Pacific Coast Bankers' Bank shall be designated as the initial
7 agent for the Banks, and shall not affect Debtor. The Banks may from time to time
8 designate in writing to Debtor a successor agent to the then-designated agent for the
9 Banks. All payments made by Debtor under or with respect to the Restructured Loan shall
10 be made to the then-designated agent for the Banks and those payments shall be deemed
11 to satisfy Debtors payment obligations under the Restructured Loan as to those payments.
- 12 17. A condition to the effectiveness of the Loan Modification Agreement is that Andrews and
13 the Banks sign and deliver a mutually acceptable settlement agreement relating to
14 Andrews's guarantees of the Loans.
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